

Suspense

A Resolution Concerning the Metropolitan District Commission's Ad Valorem Tax Warrant

WHEREAS the Metropolitan District Commission provides water and sewer services to their eight member towns in the greater Hartford area including the Town of West Hartford, and

WHEREAS the Metropolitan District Commission's sewer services are funded through an ad valorem tax levied on the eight member municipalities and based upon each municipality's own tax levy, and

WHEREAS the Town of West Hartford in this fiscal year will pay the Metropolitan District Commission \$8,956,500 for the ad valorem tax rising to \$9,574,900 in fiscal year 2018 not including an additional levy for the creation of a contingency fund, and

WHEREAS speculation over the possibility that the City of Hartford may not be able to make its required ad valorem payment to the Metropolitan District Commission resulted in the Metropolitan District Commission levying an additional ad valorem tax on its member municipalities in order to create a contingency fund to be used in the event that the City of Hartford defaulted on its required tax payment, and

WHEREAS that additional ad valorem tax levied on the Town of West Hartford amounted to \$1,777,000 for a total payment to the Metropolitan District Commission of \$11,351,900 in FY2018, and

WHEREAS only a handful of water utilities across the nation utilize an ad valorem tax for the funding of sewer services; the vast majority of water utilities collect a user fee based upon the water usage to pay for the sewer services, and

WHEREAS, the Governor's budget for FY2018 makes sweeping changes to the allocation of municipal grants and has proposed that municipalities be allowed to levy a tax on previously tax-exempt acute care hospitals which together would provide the City of Hartford substantial new revenues and make the speculation of its default of its payment to the Metropolitan District Commission moot, and

WHEREAS, the Governor's proposed budget reduces the state education cost sharing grant to the town, eliminates the excess cost grant and increases the town's liability by a portion of the teachers' pension payment resulting in a significant, dramatic and sudden impact on the town's budget and mill rate,

NOW THEREFORE BE IT RESOLVED by the Town Council that the Town of West Hartford recommends that the Metropolitan District Commission shift its funding for its sewer services from an ad valorem tax to a user fee; in order to avoid the sudden and sizable impact on town finances of a default by any other individual member town in the future and to remove the cost of sewer services from the member towns' mill rate and

BE IT FURTHER RESOLVED that the Town Council of the Town of West Hartford calls upon the Metropolitan District Commission to rescind the additional tax levied to cover the contingency fund portion of the FY2018 ad valorem tax as the state has indicated its intent to resolve the City of Hartford's financial distress.

Cantor, Davidoff, Wenograd, Dodge, Kerrigan, Casperson, Hall, Barnes, Williams